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C O N F I D E N T I A L ASUNCION 000067

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SUBJECT: DEFENSE MINISTER ON U.S. SECURITY COOPERATION AND

ONGOING OPERATIONS

REF: A. ASUNCION 0039

_B. ASUNCION 0014

Classified By: Charge d'Affaires a.i. Michael J. Fitzpatrick; reasons 1 .4 (b) and (d).

- 11. (C) SUMMARY: During a January 30 meeting with Charge d'Affaires, Paraguayan Defense Minister Bareiro assessed his Government's response to the New Year's Eve attack on a small army outpost in Tacuati (San Pedro Department) and shared his thoughts regarding expanded security cooperation with the United States. The MoD expressed his overall satisfaction with the performance of the Paraguayan Armed Forces, specifically highlighting the U.S.-trained and -equipped Joint Immediate Response Detachment ("DCEI") and the First Multirole/Peacekeeping Company ("CECOPAZ") for their lead roles in stabilizing the security situation in San Pedro. The MoD's outlook regarding the potential for expanded security cooperation with the United States, however, was mixed. He cited Paraguay's desire to pursue a regional approach in meeting its security needs, an agenda that could be influenced by a meeting of the South American Defense Council (SADC) scheduled for June 2009 -- even as he insisted Paraguay will not let its neighbors dictate its defense arrangements. The MOD nonetheless agreed that post and MOD staff should move forward now to finalize draft Memos of Agreement for U.S. support for the DCEI and CECOPAZ units. He also left the door open to pursuing a broader bilateral security agreement thereafter. Post will now pursue the draft MOAs, first and foremost to better gauge the depth of genuine commitment to an enhanced security cooperation relationship. But we cannot want this assistance more than they do; the USG should remain willing to declare victory and signal the end our support for these units well before June -- and then be ready to do so in June, should it come to that. END SUMMARY.
- 12. (C) Charge d'Affaires and the Chief of the Office of Defense Cooperation (Notetaker) met with MoD Luis Bareiro Spaini in his office on January 30 for approximately one hour and ten minutes. The Charge requested the meeting as a followup to a January 26 letter from the MoD regarding Paraguayan intentions for continued U.S. support of the DCEI. The encounter also provided an opportunity to place that discussion in the context of ongoing real-world operations being conducted by the DCEI: in Tacuati, San Pedro Department, in response to attacks by the EPP nascent guerrilla movement. The MoD was relaxed and upbeat, and remained focused on the two primary topics throughout the meeting.

TACUATI: PAST, PRESENT, AND FUTURE

- 13. (C) The MoD attributed the New Year's Eve attack in Tacuati to a small, well-organized cadre of "criminals" who took advantage of a permissive operating environment facilitated by a combination of corrupt local police, extensive marihuana cultivation and trafficking, and a lack of legitimate governmental presence. Bareiro stated that criminal elements in San Pedro underestimated both the speed and commitment of the government's response. The MoD noted that many assumed the military would remain in the field no longer than 8 days, when in fact they have maintained an active presence for more than thirty days that continues at this time. The President demonstrated considerable resolve stating the operation will continue indefinitely. This sustained presence has created tremendous pressure on traffickers who have lost revenue due to an inability to move illicit product, are increasingly turning against one another, and blaming those who led the attack against Tacuati for their misfortune. Likewise, corrupt police are unable to move with impunity, protect traffickers, or profit from illicit activity with the ongoing presence of a well-equipped and organized military force.
- 14. (C) The MoD went on to describe Paraguayan plans to create a long-term presence in northern San Pedro Department. Within the next 15 days, the Armed Forces intends to permanently relocate an Engineering Battalion, currently based in the Chaco, to northern San Pedro in the vicinity of Tacuati on land donated by Cattleman Luis Lindstrom. (NOTE: Lindstrom was taken hostage and released in August 2008 by members of the Paraguayan People's Army. END NOTE). This engineering battalion is to be augmented by civil affairs, intelligence, security, and medical sections. In addition, facilities for police and prosecutors, as well as other civilian government

entities, will be established on the compound.

15. (C) The MoD summarized the situation in Tacuati by underscoring five key points: 1) There is no time limit on the ongoing police-military operation; 2) An augmented engineering battalion with police and prosecutor support will provide sustained governmental presence in the future; 3) The population is supportive of the government's response, despite some foot-dragging from corrupt local police and prosecutors; 4) Not a shot has been fired during the operation; and 5) The military is disciplined and its forces well trained. The MoD expressed his thanks for U.S. training and equipment, noting that this operation would not have been possible even one year ago. He closed by stating that coordination with Minister of Interior Filizzola (his co-chair of the national crisis committee formed to respond to Tacuati) had been good, but that Filizzola faced a daunting task in reforming the national police.

MOD REQUESTS U.S. SUPPORT FOR DCEI, AT LEAST THROUGH JUNE

 $\P6$. (C) Turning to the subject of security cooperation, the Charge acknowledged the MoD's January 26 letter requesting continued U.S. support to the DCEI through at least June 30, 12009. (NOTE: In that letter, the MOD stated "In fulfillment of the precise directives of the President of the Republic and Commander in Chief of the Armed Forces of the Nation, I communicate to you that the Government of Paraguay accepts the cooperation and maintenance in place of the DCEI, under current conditions, until 30 June 2009, the date after which its continuation could be considered, via an agreement, of this instrument of bilateral cooperation." END NOTE.) The Charge inquired about the MoD's intent in mentioning a precise June date; the MoD responded that it was Paraguay's intent to participate in the South American Defense Council in June. Bareiro was vague on the details, agenda, and participants in the Council, but did mention Argentina, Brazil, Ecuador, and Venezuela. Bareiro stated that the Council would provide a forum to pursue regional solutions for security needs, and that the MoD was not in a position to initiate any new security cooperation agreements that would limit Paraguayan options before the June Council. (COMMENT:

Unsure of himself as to exactly what would occur in June, the Minister seemed to be falling back onto a prepared formal talking point, one that he did not fully share. END COMMENT.)

- 17. (C) The Minister was then much more forward-leaning on discussing the actual details of what he seeks in terms of U.S. cooperation: He wants DoD's Center for Hemispheric Defense Studies (CHDS) to come help do a national security strategy review) something the previous Paraguayan Government stiff-armed for years. Bareiro said his staff and the Embassy should proceed right away to finalize the draft texts of Memoranda of Agreement regarding both the DCEI and the peacekeeping unit (CECOPAZ, funded under US GPOI assistance, and also deployed in San Pedro). Bareiro agreed readily with the Charge's suggestion that the DCEI and CECOPAZ agreements be signed in tandem, so as to demonstrate publicly balance in the U.S-Paraguay approach to security cooperation. Bareiro said it was not clear to him whether such agreements would need Congressional approval or not (an ongoing debate here regarding recent accords with Venezuela), but he was not phased by the prospect of defending either with Congress or elsewhere.
- 18. (C) The Minister also said he was open to pursuing a more general security cooperation agreement, including terms regarding Status of Forces, especially in the context of the possible 2010 deployment to Paraguay of a New Horizons humanitarian assistance effort. The Minister agreed that any future security agreements should be broad and flexible in nature so as not to prevent the two parties, say, from changing the exact dates of future missions under the agreement (as had been the case with the last bilateral security agreement signed in 2005). And, regarding the SADC, the MOD was adamant when Charge asked him about ceding to other regional players Paraguay, s decision regarding who it would partner with on military and security issues: He will not let others (be it Brazil, Venezuela, or anyone else) dictate to Paraguay. Paraguay, he concluded, will pursue Paraguay's national interests.
- 19. (C) COMMENT: Bareiro,s letter confirms in writing President Lugo's recent oral statements to Charge (reftels)
- of Paraguay,s continued interest in U.S. security assistance. But it still leaves unanswered some questions regarding next steps, while confirming that this remains a divided government. Bareiro, s political advisor told Acting DCM January 30 that the June date was inserted into the letter (apparently after Lugo had told the MoD to provide an unqualified "yes" to the Embassy) in order to placate domestic political players suspicious of U.S. cooperation and supportive of cooperation with Venezuela and other regional actors. Despite this dilatory tactic, the MOD's aide was optimistic about finding a way forward, and said that much of the MoD,s hesitation could be attributed to political inexperience. As a retired General Officer, the MoD is indeed a bit out of his element in the backroom political brawls that constitute inter-agency discussions here. But he's learning -- just as President Lugo and others new to government are learning just how critical USG-provided training and assistance has been in providing them with any response capability whatsoever. (Indeed, CECOPAZ and the DCEI have already proven the ability to conduct sustained deployments, albeit non-kinetic, in the absence of U.S. trainers.) Post intends to press forward in coming days with bilateral working-level discussions on the draft MOAs for CECOPAZ and the DCEI -- and with continuing education and relationship-building among those suspicious of U.S. motives for engagement. This will allow us to better gauge the true depth of commitment (and opposition). But in the end, we cannot want this assistance more than the Paraguayans do. And the USG should remain as we are now: Willing to declare victory and signal well before June the end of our support for the units -- and then do so in June, should it come to that. END COMMENT.